

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 COME-00 AGR-20 TRSE-00

STR-08 AID-20 CEA-02 CIAE-00 FRB-02 INR-10 IO-14

NEA-10 NSAE-00 RSC-01 OPIC-12 SPC-03 CIEP-02 LAB-06

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EO 11652: N/A

TAGS: ETRD OECD NZ

SUBJ: OECD TRADE COMITE EXAMINATION OF NEW ZEALAND'S
FOREIGN TRADE AND TRADE POLICY

REF: A) STATE 30618 B) OECD PARIS 2116

1. AT THIS PRELIMINARY STAGE OF GNZ PREPARATIONS FOR
OECD TC AND T CWP EXAMINATION EMBASSY HAS NO SUGGESTIONS
FOR USOECD ON REQUESTS FOR CLARIFICATION.

2. EMBASSY WOULD HOPE THAT FURTHER OPPORTUNITY FOR
COMMENT, SUGGESTIONS OR QUESTIONS WILL BE AFFORDED
AFTER GNZ HAS FINALLY SUBMITTED ITS COMPREHENSIVE WRITTEN
REVIEW OF ITS FOREIGN TRADE AND TRADE POLICIES TO DELEGATIONS
AS IS SO IN CASE OF AUSTRALIA WHOSE REVIEW PRESENTED IN
EARLY FEBRUARY (REFTEL B).

3. EMBASSY WOULD LIKE OPPORTUNITY AT THAT TIME TO STUDY
GNZ DOCUMENT FOR DETAILED COMMENT AND SUGGESTIONS AS
APPROPRIATE.

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4. FYI GNZ DEPARTMENT OF TRADE AND INDUSTRY IS OF UNDERSTANDING THAT GNZ HAS UP TO ONE YEAR AFTER POINCILIT VISIT FOR SUBMISSION AND EXAMINATION OF COMPREHENSIVE WRITTEN REVIEW AND THAT PROCESS OF PREPARATION OF DOCUMENT WILL BE A PART OF JOINT COLLABORATION BETWEEN GNZ AND OECD SECRETARIAT.

5. OF POSSIBLE BACKGROUND USE, THE FOLLOWING ARE CERTAIN MORE SIGNIFICANT ACTIONS IN GNZ IS TAKING IN FORMING ITS NEW GRADE POLICY*

A) GNZ IS IN THE COURSE OF REVISING ITS CUSTOMS TARIFF STRUCTURE. IN JULY 1973 GNZ LOWERED ALL CONCESSIONARY RATES (PARA II) OF EXISTING TARIFF TO THE BRITISH PREFERENCES RATES FOR THESE ITEMS THUS DIVERSIFYING THE POTENTIAL SOURCES OF SUPPLY FOR ALL ITEMS IN THIS SECTION, MANY OF WHICH ARE CAPITAL EQUIPMENT FOR INDUSTRY. A BILL BEFORE PARLIAMENT PROVIDES FOR AN ENTIRELY NEW CUSTOMS TARIFF EFFECTIVE JULY 1, 1974 WITH ONE RATE (NORMAL) FOR ALL COUNTRIES EXCEPT THOSE SUCH AS CANADA AND AUSTRALIA AND SOME OTHER COMMONWEALTH COUNTRIES. BRITISH PREFERENCES AS SUCH ARE TO BE PHASED OUT OVER NEXT FOUR YEARS. BUT SO FAR POLICY ON IMPORT LICENSING HAS NOW CHANGED. ABOUT ONE-THIRD OF ITEMS IN IMPORT TARIFF ARE STILL UNDER LICENSE.

B) GNZ IS UNDERTAKING STEPS WITH AUSTRALIA TO PUT AN INCREASING AMOUNT OF ITS TRADE UNDER THE NEW ZEALAND AUSTRALIA FREE TRADE AGREEMENT (NAFTA). A BILL TO CREATE AN EXPORT IMPORT CORPORATION IS BEFORE PARLIAMENT. THIS WILL ASSIST SMALLER COMPANIES TO EXPORT.

C) NEW COMPREHENSIVE "GROWTH STRATEGY" IS BEING DEVELOPED WITHIN NZ WHICH WILL HAVE RAMIFICATIONS ON ITS FOREIGN TRADE POLICY. AIM IS TO IMPROVE PRODUCTIVITY AND RATE OF ECONOMIC GROWTH THROUGH BETTER UTILIZATION OF CAPITAL AND LABOR ESPECIALLY IN MANUFACTURING SECTOR AND THEREBY INCREASE MEANS TO FINANCE EXPANSION OF LABOUR GOVERNMENT SOCIAL WELFARE PROGRAM. GNZ DESIRES FOSTER EXPORT INDUSTRIES AND AT SAME TIME BRING ABOUT LIMITED OFFICIAL USE

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RATIONALIZATION BY GRADUAL ELIMINATION OF HIGH COST AND LESS EFFICIENT INDUSTRIES WHICH CANNOT BE JUSTIFIED BY DISCERNIBLE SOCIAL BENEFITS. THOUGH THIS OVERALL GROWTH PROGRAM IS STILL BEING DEVELOPED SOME PHASES OF IT HAVE ALREADY BEEN UNDERTAKEN, E. G. REVAMPING DEVELOPMENT FINANCE CORPORATION AS INSTRUMENT FOR GNZ INDUSTRIAL AND REGIONAL DEVELOPMENT POLICIES THROUGH SELECTIVE FINANCING.

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Disposition Authority: morefirh
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
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